



THE LONG-TERM PARTNER FOR
PROFITABLE SMALL & MEDIUM
SIZED COMPANIES IN EUROPE

RŌKO

We own companies forever | www.roko.se

September 2020

RÖKO is an evergreen investment company with €270m in equity capital

The Röko team has a combined 80+ years of working with founder led and entrepreneurial companies and invests from its own balance sheet



Chairman and co-founder

tomas@roko.se

Born

- 1963

Education

- MSc in Business Administration (SSE)
- Sweden-America Foundation Scholarship to Luther College, USA

Tomas Billing

Experience

- CEO of Nordstjernen 1999-2019
- Chairman of NCC 2001-Present
- Co-owner and board member of the Hjertmans group. Board member of Centrum för rättvisa and Parkinson Research Foundation



Investment Manager (Norway and UK)

anders@roko.se

Born

- 1985

Education

- MSc in International Banking and Finance (Strathclyde)

Anders Nordby

Experience

- Director at Saga Corporate Finance (M&A) 2011-2019



CEO and co-founder

fredrik@roko.se

Born

- 1962

Education

- MSc in Engineering Physics (KTH)
- MSc in Business Administration (SSE)

Fredrik Karlsson

Experience

- CEO of Lifco 1998-2019
- Co-owner and board member of the Hjertmans group. Board member of the German-Swedish Chamber of Commerce
- CEO of Mercatura 1993-1998, BCG 1988-1992



Investment Manager (DACH)

sebastian@roko.se

Born

- 1992

Education

- BSc in Business Administration (Münster University)

Sebastian Ahlhorn

Experience

- Head of Direct Investments, Spudy Family Office (2017-2019) and KPMG Deal Advisory M&A (2015-2017)



Deputy CEO

johan@roko.se

Born

- 1989

Education

- BSc in Accounting and Finance (SSE)

Johan Bladh

Experience

- Private Equity (Bridgepoint, BC Partners, Altor) 2015-2019
- Management consultant at BCG 2014-2015



Senior Advisor (Italy)

paolosacchi@mac.com

Born

- 1966

Education

- MSc Agricultural Engineering (Milan)
- Executive MBA (SSE)

Paolo Sacchi

Experience

- Investment Manager East Capital 2008-2013

Our key characteristics

Our process relies on many years of investment experience, entrepreneurial management and long-term perspectives on businesses



80+ years of combined investment experience.

Perpetual investment horizon – Röko never sells an investment.
Röko is a company, not a fund.

Focus on **simplicity and speed** in decision making, in the transaction process as well as in company governance.

Decentralised business model – all decisions are made at company level and the intention is to never move a company.

Open for **co-ownership**.

We look for niche market leaders

Investment criteria



Established or potential market leader in a niche



Long track record of profitability – EBITA margin of 10% or more

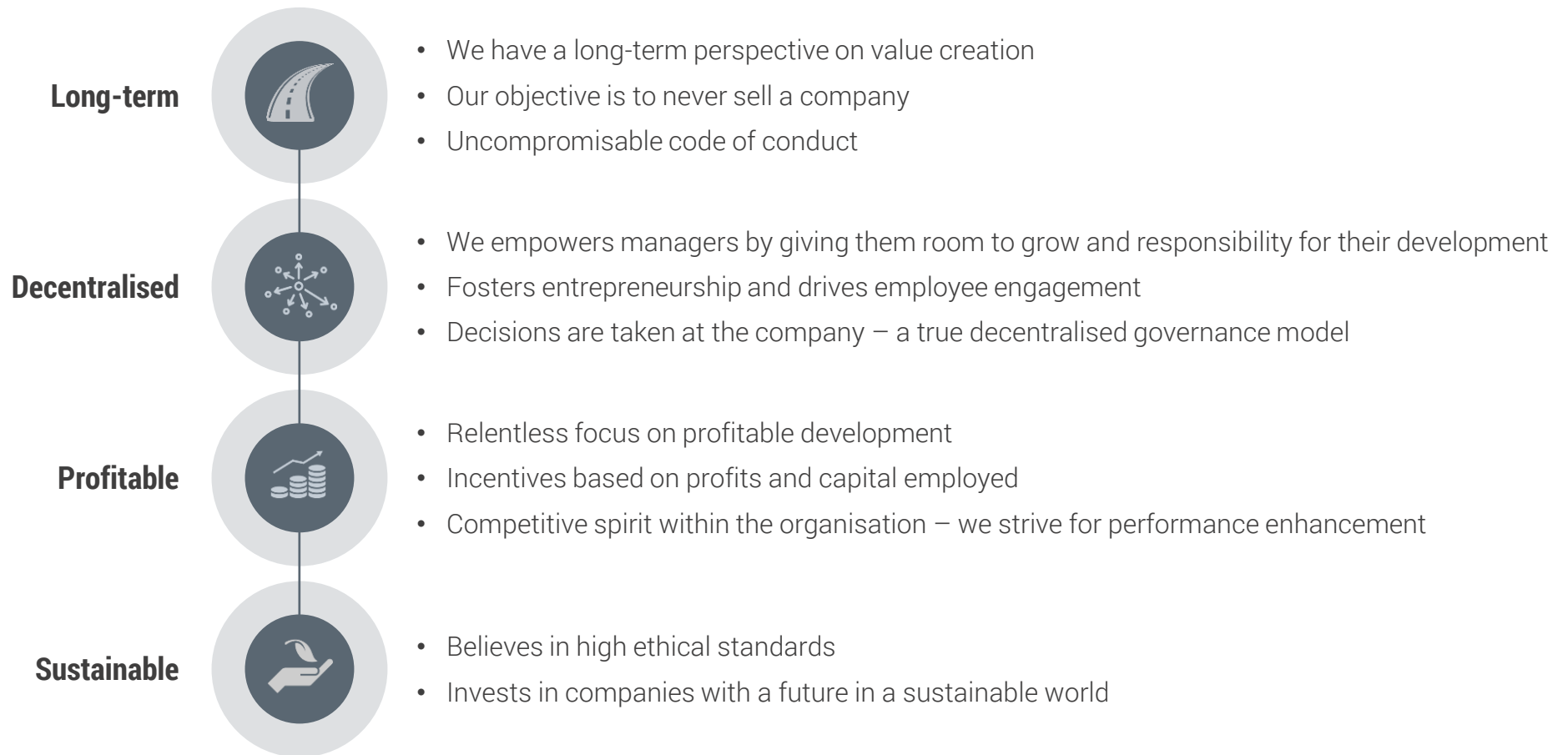


Main focus on asset light companies with EBITA of EUR 2-10m



Headquartered in Europe

Our principles



We have a portfolio of businesses across different industry verticals

Our current portfolio includes companies from Sweden, Norway and Denmark from a variety of industries – and we aim to broaden the portfolio further



Manufacturer of floor finishes



Heat transfer (textile printing) manufacturer



VAR and consultant focused on consolidation software



Original spare parts reseller for auto work shops



Chain of beauty clinics and shops focused on skincare



Manufacturer and supplier of vacuum waste handling systems

Revenue (MEUR)	Location
4	Jörlanda, Sweden
10	Fjärås, Sweden
11	Stockholm, Sweden
12	Arendal, Norway
11	Oslo, Norway
10	Lille Skensved, Denmark

- We have started to build a portfolio of independently managed and profitable companies with decentralised governance
- We are actively looking to invest in European based businesses across industries – and we have resources to deploy

We believe that incentivised and empowered companies deliver the most value

Simple levers of value creation guarantee long-term success through consistent application

Pricing in focus

- Continuous monitoring and optimisation of prices
- Focus on customers with potential for sustainable profit growth

Motivated managers

- Long-term view on career development and personal growth
- Compensation tied to performance
- Management changed when required

Lean organisation

- Focus on value adding operations
- Outsourced non-core functions
- Minimised bureaucracy

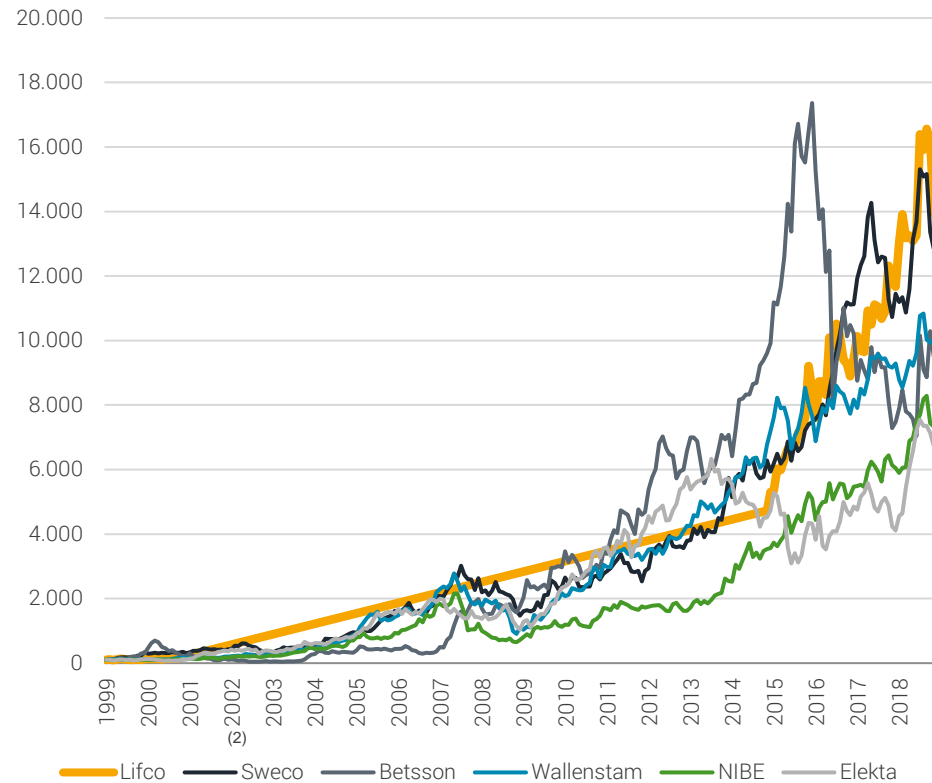
Value creating investments

- Investments in product development, geographical expansion and expanded sales organisation
- Add-ons evaluated and executed selectively

Lifco 100x the money and Nordstjernan twice the market in 20 years

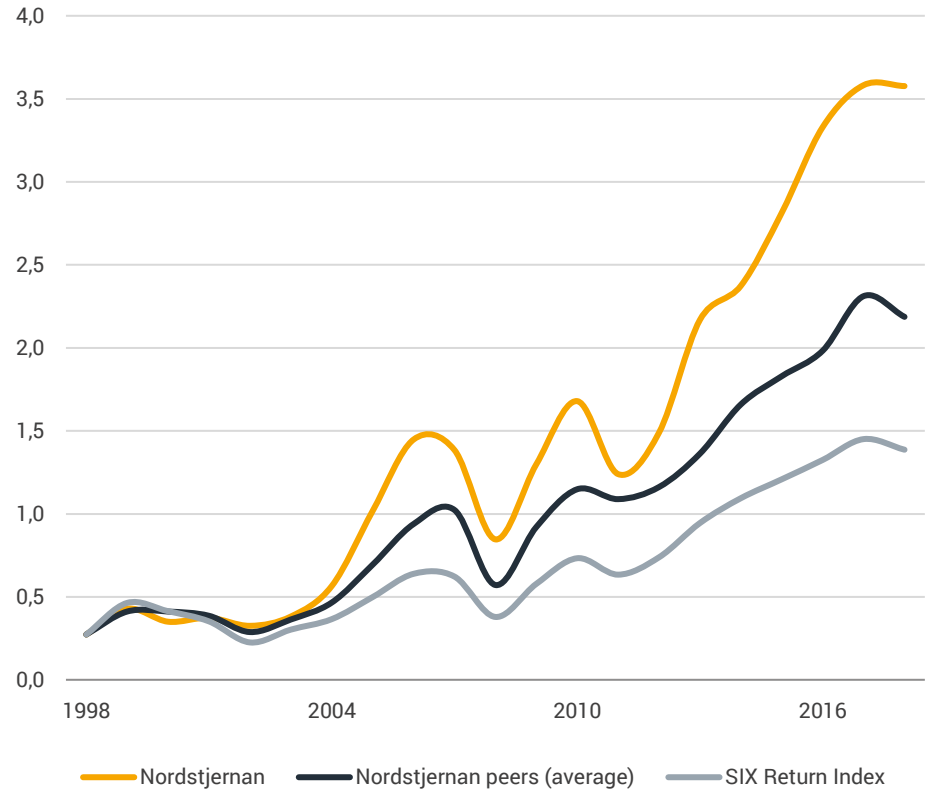
Lifco's Total shareholder return has been the highest among Swedish listed large caps over 20 years⁽¹⁾

Index 100 = January 1999



Nordstjernan's NAV development has outperformed its peers and the stock market over 20 years⁽²⁾

EURbn (rebased to Nordstjernan)



Source: FactSet, financial reports

1) Selection based on total shareholder return development January 1999-December 2018 of the 6 best performing large cap shares on the Swedish Stock Exchange

2) NAV development is calculated on a per share basis with reinvested dividends

3) Lifco's total return development between buy-out and IPO has been assumed to be linear and has been adjusted for shareholder distributions and contributions

Back-up: We are a long-term owner with focus on material topics

	Industrial Buyers	Private Equity	Family Offices	RÖKO
Investment Horizon	Objective for perpetuity	3-5 years	Long-term	Perpetual
Financial Structure	Acquisition of 100% of the equity. Payment in cash or shares with potential for earn-out	Requires majority ownership, but can provide ability for re-investment from previous owners and management. Maximize leverage	Majority or minority. Can provide re-investment but typically challenging to create liquidity event for minority owners	Payment in cash. Potential to re-invest. Moderate leverage
Valuation Methodology	Synergy realisation – cost take out a requirement to support valuation	Max leverage to support valuation. Typically a need to step-up add-on acquisitions post transaction	Limited leverage	Clean valuation methodology and potential for earn-out
Due Diligence	Typically short commercial DD. Focus on Financial and Legal – and detailing synergies	Extensive DD with several third parties (commercial, financial, legal, digital, environmental, technical)	DD with several third parties	Simple DD together with the Company. Focus on business understanding and comfort on financial and legal
Legal Docs	Extensive SPA and SHA often needed. Significant legal involvement	Extensive SPA and SHA needed for LPs. Significant legal involvement	Similar to Private Equity	Simple SPA and SHA – focus to establish collaboration without disrupting the business
Transaction Certainty	Depending on situation and acquiror	Significant uncertainty until signing (current trading, DD, investment committee approval)	Depending on the Family Office structure – key to know who is the decision maker	Very high – The Röko team is the decision making body. We do our work prior to the indicative offer and confirm thesis during 2nd phase
Involvement Post Transaction	Full takeover	Most firms are very involved, might deploy operations teams or consultants. Typically targets transformational changes. Substantial administrative tasks	Limited involvement	Board member(s), and work on special actions if needed. Monthly reporting to Röko